

2010 SUPPORTING STATEMENT

Regulations Governing Inspection, Certification, Standards, and Audit Services for Fresh Fruits, Vegetables, and Other Products

OMB NO. 0581-0125

NOTE: Per OMB's request, AMS withdrew 0581-New for Audit Services and is including the collection of information into the 0581-0125 renewal.

A. Justification.

- 1. EXPLAIN THE CIRCUMSTANCES THAT MAKE THE COLLECTION OF INFORMATION NECESSARY. IDENTIFY ANY LEGAL OR ADMINISTRATIVE REQUIREMENTS THAT NECESSITATE THE COLLECTION.**

The Agricultural Marketing Act of 1946 (AMA), as amended, (7 U.S.C. 1621-1627) directs and authorizes the Secretary of Agriculture to inspect, certify, and identify the class, quantity, quality, and condition of agricultural products when shipped or received in interstate commerce, under such rules and regulations as the Secretary may prescribe, etc. (7 U.S.C 1622). The AMA provides for audit based inspection services so that agricultural products may be marketed to their best advantage, that trade may be facilitated, and that consumers may be able to ascertain characteristics involved in the production and processing of products and obtain the quality of product they desire (7 U.S.C. 1622(h)).

The present Regulations (7 CFR 51) Governing Inspection, Certification and Standards for Fresh Fruits, Vegetables, and Other Products are promulgated under the provisions of the Agricultural Marketing Act of 1946. The Secretary has delegated this authority to the Agricultural Marketing Service (AMS), Fresh Products Branch (FPB).

Since this is a voluntary program, respondents must request inspection and grading services by providing necessary information through the form of an official application. Inspection applicants requesting a Positive Lot Identification stamp for identification of inspected lots of fruits, vegetables, or other products must file a request form in order to receive such stamp.

The FPB provides nationwide audit and inspection services for fresh fruits, vegetables, and other products to growers, shippers, importers, processors, sellers, buyers, and other financially interested parties on a "user fee" basis. Our regulations require that

such applicants provide information which is essential to proper identification and certification of the product(s) for which inspection/re-inspection services are requested. This information includes: the name and location of the person or company shipping and receiving the product(s), the name and location of the person or company requesting the inspection services, the date and time the inspection is requested to be performed, the location where the inspection is to be completed, the type of inspection requested, and additional identification for the product(s) such as a purchase order number, carrier license number, the common name, brands or markings on containers, quantity, size and type or variety.

The audit program is new and was developed under the President's Food Safety Initiative to improve the safety of our nation's food supply. The Good Agricultural Practices (GAP) and Good Handling Practices (GHP) program was formed in response to growing food safety concerns among U.S. consumers, at industry request. The GAP measures efforts to reduce the risk of microbial contamination at the farm/harvesting. The GHP measures efforts to reduce the risk of microbial contamination after harvest by way of the packing, handling, storage, transportation and processing stages. Applicants requesting audit based services must provide: the name and location of the person or company requesting the audit, the type and location of the product to be audited, the type of audit being requested and any information that will identify the product and/or the location(s) to be covered by the audit.

In addition, any interested party who wishes to use an official USDA approved logo in conjunction with the specific audit program must submit a request form for the logo's use. Information collected for the use of this logo include: The name of the company, name of the requestor, type of product, specifications for where and how the logo will be used, and the manufacturer's name and location who is reproducing this logo. Approved use of this logo requires that the interested party successfully adhere to the specific audit program requirements. As part of the audit process, auditee documentation must be made available to the FPB personnel for review to show conformance to the specific audit program.

- 2. INDICATE HOW, BY WHOM, AND FOR WHAT PURPOSE THE INFORMATION IS TO BE USED. EXCEPT FOR A NEW COLLECTION, INDICATE THE ACTUAL USE THE AGENCY HAS MADE OF THE INFORMATION RECEIVED FROM THE CURRENT COLLECTION.**

Section 51.4 (a) (d) Where Inspection Service is offered.

The Agricultural Marketing Act of 1946 provides the authority for the Department to enter into cooperative agreements with Cooperating Federal-State Inspection Agencies providing for this inspection work pursuant to authority contained in any Act of Congress. This section addresses inspection services available at shipping points through Cooperative Agreements. The 48 States (excluding Oklahoma and Ohio) have Cooperative Agreements with the Department. Recently, the Commonwealth of Puerto Rico ended their cooperative agreement; inspection work there is now performed by Federal employees.

Section 51.6, 51.7, and 51.8, Record of Request for Inspection/Reinspection of Food Products (FV-237), and FV-237A, Audit Services

Form FV-237 – is filled out by farms, business or other for profit, and not-for profit institutions requesting services. The information is used by personnel of the grading service to record information when applications for services are made. This information is used by graders to ensure that the correct products are graded and inspected and that correct information appears on the official inspection certificates. Other information is used by the grading office to properly direct billing for these services.

Form FV-237A – is filled out by farms, business, or other for profit, not-for-profit institutions or a government agency on behalf of a business participating in government procurement programs, interested in requesting a voluntary GAP and GHP audit or other type of audit service. The Commodity Procurement program is the government program and has a mandatory requirement that businesses participating in government procurement programs must be compliant with the USDA GAP&GHP audit program. The Fresh Products Branch will use this information to initiate audit services for the requestor in an efficient manner. These requests for services can be requested in person, by telephone, or facsimile to the nearest inspection office.

Section 51.10 When Application may be Withdrawn.

This section gives the applicant the option of withdrawing the application (FV-237) prior to the beginning of the inspection. Charges may be assessed for expenses incurred prior to the withdrawal. Respondents' burden involves a simple notification, usually in person or by a phone call, identifying the applicant and canceling the inspection request. Less than one-tenth of one percent of terminal market inspection requests are canceled.

Section 51.11 Authority to Request Inspection.

This section requires proof of financial interest of applicants or agents working on behalf of another to request inspection services on shipments. Because of the voluntary nature of inspection services and daily contact with applicants by USDA field personnel, information of this nature is not now being collected.

Although specified in the regulations, this requirement for written proof of financial interest has never been requested from respondents and is not expected to be requested.

Section 51.23 Request for Inspection Results Prior to Issuance of Formal Report.

This section provides for the issuance of preliminary reports by telephone or telegraph to applicants, at their expense. Instructions requesting inspection results prior to the issuance of the formal report are received at the same time the application (FV-237) is given by annotating under "Remarks" a statement such as, "Report to Jim collect at 516-555-4444."

Section 51.24 and 51.25 Appeal Inspection.

This section provides for an application for a reinspection on lots previously inspected. Form FV-237 is used to record the same information as required under Section 51.7. This occurs when a product has already been graded but the grade, condition or size reported is questioned by one of the financially interested parties. At that time, a different inspector regrades the product either to sustain or to overturn the results of the previous inspection.

Section 51.28 When an Application for an Appeal Inspection may be Withdrawn.

This section gives the applicant the option to withdraw the application prior to the performance of the appeal inspection. Charges may be assessed for expenses incurred prior to the withdrawal. There have been no requests to withdraw an application for an appeal and none are expected.

Section 51.33 Licensee's Application (Federal-State Inspection Service).

Applicants are required to complete form FV-202, "Application for Interstate/Intrastate Commerce Inspector's License," to become a licensed terminal market inspector when the applicant is an employee of a State which has a cooperative agreement with the USDA. This form is used to determine eligibility of the applicant. This form is available at <http://eforms.ams.usda.gov/#customersFV>.

Section 51.34 Appeal of Suspension or Revocation of License.

This section gives a licensed inspector the opportunity to appeal, in writing, the suspension or revocation of his/her license by the Administrator, AMS.

Section 51.42 Charges for Inspection Services on a Contract Basis.

This section gives the Administrator the authority to enter into a contract with applicants to perform inspection services pursuant to the regulations and provides that the charges be reimbursed to AMS on such basis to cover full costs of conducting such inspection service, including an appropriate charge to cover administrative overhead expenses as may be determined by the Administrator.

Written contracts are prepared by Federal employees in Washington, DC, and submitted to the applicant for approval and signature.

Section 51.49 Approved Identifications and Section 51.59 (e) (8) Operations and Operating Procedures.

Prior to printing, drawings or printer's proofs of each packer's or distributor's label bearing or referring in any manner to official inspection legends or grade marks must be submitted to the Fruit and Vegetable Programs for approval. This is to ensure that these meet USDA specifications.

Section 51.59 (e), Positive Lot Identification

This section covers the applicant's responsibilities concerning continuous inspection. Form FV-24, "Positive Lot Identification Stamp(s)/Die(s) Request Form," is used when an applicant has requested Positive Lot Identification (PLI) on products packed under continuous inspection and accounts for all PLI stamps and dies ordered and used by the applicant. This form is available at <http://eforms.ams.usda.gov/#customersFV>.

Section 51.59 (e) (4), Furnishing of Reports

The approved identification, including grade marks, inspection legends, combined grade and inspection legends, packer identification and other identification marks, may be used on containers, labels, or otherwise indicated on a package when: (1) the product has been packed under continuous inspection as provided by the Inspection Service, (2) the plant in which the product is packed is maintained under good commercial sanitary practices, and (3) the product has been certified by an inspector as meeting the requirements of US Grade A, US Grade No. 1, or a higher US grade as shown with the approved shield mark. The use of the approved identifications is associated with section 51.53, Continuous Inspection, and section 51.59 (e) (4), Furnishing of Reports, which requires applicants for continuous inspection to furnish any reports of packaging and output of products inspected, as may be requested by the inspection agencies. The primary purpose is to assure that uninspected products which are grade marked are not entered into trade channels. This has not been required, since graders are present during the operation of the plants.

Section 51.52 Licensing and Identification of Certain Services.

The Administrator may issue licenses (memorandum of agreement) permitting the manufacture, identification, distribution and sale of any official device designated as a USDA color standard, defect guide or other similar aid under such terms and conditions as may be specified by the Administrator. Licenses are prepared by Federal employees and submitted for approval and signature. There has been no new license issued in recent years, nor are any requests expected. Prospective licensees need only to call or write and say they would like to be licensed. Licensees must advise Fruit and Vegetable Programs of devices made, to whom sold, and at what cost.

Section 51.60 Termination of Contracts.

This refers to sections 51.49, 51.53, and 51.59, whereby the applicant agrees either to continue the service until all unused containers, labels, and advertising material on hand have been used, or to destroy such material or obliterate the Department shield and all other references to continuous inspection, or otherwise furnish assurance that such material will not be used in violation of the terms and conditions of the agreement. There have been no notifications of termination of contracts. If the cancellation of a contract is initiated, the applicant is required to give 30-days advance notification of the termination date, orally or in writing.

FV-651, Agreement for Participation in Audit Verification Programs

- it is necessary for all farms, businesses for profit and not-for-profit, and the individual businesses participating in the government procurement programs, requesting an audit, fill out the GAP&GHP Agreement form before an audit is conducted. This is a contractual agreement between the applicant and USDA which outlines the program requirements for the applicant and lists the services provided by FPB upon signature. This new form is introduced in this submission.

FV-652, Logo Use Request for Audit Programs - it is necessary for any participant in a USDA GAP&GHP program, IP Program, or PIQ Program who would like to use the individual programs logo to complete this form. This form will be used by USDA to document the use of specific audit programs logo. As outlined in sections 51.49 and 51.59(e)(8) prior to printing, drawings or printer's proofs of each packer's or distributor's label bearing or referring in any manner to official inspection legends or grade marks must be submitted to the Fruit and Vegetable Programs for approval. This is to ensure that these meet USDA specifications. This new form is introduced in this submission.

3. **DESCRIBE WHETHER, AND TO WHAT EXTENT, THE COLLECTION OF INFORMATION INVOLVES THE USE OF AUTOMATED, ELECTRONIC, MECHANICAL, OR OTHER TECHNOLOGICAL COLLECTION TECHNIQUES OR OTHER FORMS OF INFORMATION TECHNOLOGY, E.G. PERMITTING ELECTRONIC SUBMISSION OF RESPONSES, AND THE BASIS FOR THE DECISION FOR ADOPTING THIS MEANS OF COLLECTION. ALSO DESCRIBE ANY CONSIDERATION OF USING INFORMATION TECHNOLOGY TO REDUCE BURDEN.**

Forms FV-24, FV-202, FV-237, FV-237A, FV-651, and FV-652 are

available on the AMS e-forms website <http://eforms.ams.usda.gov/#customersFV> and may be completed electronically. These forms are available upon request at any field office and headquarters, and may be e-mailed, faxed or delivered in person.

4. DESCRIBE EFFORTS TO IDENTIFY DUPLICATION. SHOW SPECIFICALLY WHY ANY SIMILAR INFORMATION ALREADY AVAILABLE CANNOT BE USED OR MODIFIED FOR USE FOR THE PURPOSE(S) DESCRIBED IN ITEM 2 ABOVE.

Due to the nature of information collected, duplication is not a factor. There are no other sources available to obtain this information.

5. IF THE COLLECTION OF INFORMATION IMPACTS SMALL BUSINESSES OR OTHER SMALL ENTITIES (ITEM 5 OF THE OMB FORM 83-1), DESCRIBE THE METHODS USED TO MINIMIZE BURDEN.

Although the information collections involve both small and large entities, we consider the information collected to be minimal burden upon respondents.

6. DESCRIBE THE CONSEQUENCE TO FEDERAL PROGRAM OR POLICY ACTIVITIES IF THE COLLECTION IS NOT CONDUCTED OR IS CONDUCTED LESS FREQUENTLY, AS WELL AS ANY TECHNICAL OR LEGAL OBSTACLES TO REDUCING BURDEN.

The information collections are not scheduled and apply only when the services are requested by respondents and therefore could not be collected any less often.

7. EXPLAIN ANY SPECIAL CIRCUMSTANCES THAT WOULD CAUSE AN INFORMATION COLLECTION TO BE CONDUCTED IN A MANNER:

- **REQUIRING RESPONDENTS TO REPORT INFORMATION TO THE AGENCY MORE OFTEN THAN QUARTERLY;**

Responses are only made when a service is being requested.

- **REQUIRING RESPONDENTS TO PREPARE A WRITTEN RESPONSE TO A COLLECTION OF INFORMATION IN FEWER THAN 30 DAYS AFTER RECEIPT OF IT;**

If the cancellation of a contract is initiated, the applicant is required to give 30 days advanced notification of the termination

date, orally or in writing for the services provide on forms FV-24, FV-202 and FV-237. To date, there have been no notifications of termination of contracts.

There is no situation where a response is required after the information is collected for FV-237A and FV-651. For form FV-652 applicant must send a copy of any manufacturers' invoices for preprinted materials produced with the audit program(s) logo and a signed copy of Section F of this form must be forwarded to the Fresh Products Branch immediately after the time of receipt of the preprinted materials.

- **REQUIRING RESPONDENTS TO SUBMIT MORE THAN AN ORIGINAL AND TWO COPIES OF ANY DOCUMENT;**
There is no situation where a respondent would be required to submit more than an original and two copies of a response.
- **REQUIRING RESPONDENTS TO RETAIN RECORDS, OTHER THAN HEALTH, MEDICAL, GOVERNMENT CONTRACT, GRANT-IN-AID, OR TAX RECORDS FOR MORE THAN 3 YEARS;**
There are no requirements for a respondent to retain any document longer than 3 years.
- **IN CONNECTION WITH A STATISTICAL SURVEY, THAT IS NOT DESIGNED TO PRODUCE VALID AND RELIABLE RESULTS THAT CAN BE GENERALIZED TO THE UNIVERSE OF STUDY;**
No surveys of industry are conducted.
- **REQUIRING THE USE OF A STATISTICAL DATA CLASSIFICATION THAT HAS NOT BEEN REVIEWED AND APPROVED BY OMB;**
A statistical data classification is not used.
- **THAT INCLUDES A PLEDGE OF CONFIDENTIALITY THAT IS NOT SUPPORTED BY AUTHORITY ESTABLISHED IN STATUE OR REGULATION, THAT IS NOT SUPPORTED BY DISCLOSURE AND DATA SECURITY POLICIES THAT ARE CONSISTENT WITH THE PLEDGE, OR WHICH UNNECESSARILY IMPEDES SHARING OF DATA WITH OTHER AGENCIES FOR**

COMPATIBLE CONFIDENTIAL USE; OR

No pledge of confidentiality is required with forms FV-24, FV-202, FV-237 FV-237A and FV-652.

Form FV-651 must be filled out before the audit takes place and includes a pledge of confidentiality stating the agencies policy for sharing information obtained while auditing in clauses 2(d) and 2(e).

- **REQUIRING RESPONDENTS TO SUBMIT PROPRIETARY TRADE SECRET, OR OTHER CONFIDENTIAL INFORMATION UNLESS THE AGENCY CAN DEMONSTRATE THAT IT HAS INSTITUTED PROCEDURES TO PROTECT THE INFORMATION'S CONFIDENTIALITY TO THE EXTENT PERMITTED BY LAW.**

Forms FV-24, FV-202, FV-237, FV-237A and FV-652 do not require respondents to submit proprietary trade secret, or other confidential information

Form FV-651 must be completed before the audit takes place. This form requires the applicant make available to USDA federal and/or federal-state auditors all records required by the specific audit program including, but not limited to, quality manual, food safety manual, water test results, employee training records, manure use records, laboratory testing results and other records as required by the auditee's quality manual, food safety manual or specific audit program requirements.

No proprietary information, trade secrets, or other confidential information is kept by the USDA. Once reviewed, reference to said documents may be mentioned in the final audit report only if they highlight a non-conformance to a component of the audit program.

8. **IF APPLICABLE, PROVIDE A COPY AND IDENTIFY THE DATE AND PAGE NUMBER OF PUBLICATION IN THE FEDERAL REGISTER OF THE AGENCY'S NOTICE, REQUIRED BY 5 CFR 1320.8(d), SOLICITING COMMENTS ON THE INFORMATION COLLECTION PRIOR TO SUBMISSION TO OMB. SUMMARIZE PUBLIC COMMENTS**

RECEIVED IN RESPONSE TO THAT NOTICE AND DESCRIBE ACTIONS TAKEN BY THE AGENCY IN RESPONSE TO THESE COMMENTS. SPECIFICALLY ADDRESS COMMENTS RECEIVED ON COST AND HOUR BURDEN.

On March 3, 2010 Vol. 75, No. 41, pages 9572-9573, the agency published the notice of information collection and request for comments in the Federal Register for forms FV-24, FV-202, and FV-237.

On December 17, 2008 Vol. 73, No. 243, pages 76607-76608, the agency published the notice and request for comments for a new information collection in the Federal Register for forms FV-237A, FV-651, FV-652.

No comments were received on either notice.

DESCRIBE EFFORTS TO CONSULT WITH PERSONS OUTSIDE THE AGENCY TO OBTAIN THEIR VIEWS ON THE AVAILABILITY OF DATA, FREQUENCY OF COLLECTION, THE CLARITY OF INSTRUCTIONS AND RECORDKEEPING, DISCLOSURE, OR REPORTING FORMAT (IF ANY), AND ON THE DATA ELEMENTS TO BE RECORDED, DISCLOSED, OR REPORTED.

The Fresh Products Branch maintains ongoing contacts with cooperating State agencies, business associations, trade organizations, etc. Their comments have never indicated any problem supplying the requested information, which is necessary to the proper performance of grading services they request.

The following companies use these forms daily and have input concerning suggestions for the changing the format or method of transmitting the request:

Bill Pool
Manager of Agricultural Production & Research
Wegmans Supermarkets
Rochester, NY
585-464-4670

Jon C. Stube
Salesman
Strube Celery and Vegetable Co,
Chicago, IL,
312-226-6888;

Thomas Henry
Quality Control
Del Monte Fresh,
Dallas, TX,
214-428-3600

CONSULTATION WITH REPRESENTATIVES OF THOSE FROM WHOM INFORMATION IS TO BE OBTAINED OR THOSE WHO MUST COMPILE RECORDS SHOULD OCCUR AT LEAST ONCE EVERY 3 YEARS -- EVEN IF THE COLLECTION OF INFORMATION ACTIVITY IS THE SAME AS IN PRIOR PERIODS. THERE MAY BE CIRCUMSTANCES THAT MAY PRECLUDE CONSULTATION IN A SPECIFIC SITUATION. THESE CIRCUMSTANCES SHOULD BE EXPLAINED.

Inspection services do not require applicants to maintain records or to provide additional information. Audit services require applicants make all records required by the specific audit program including, but not limited to, quality manual, food safety manual, water test results, employee training records, manure use records, laboratory testing results and other records as required by the auditee's quality manual, food safety manual or specific audit program requirements. There are no requirements for a respondent to retain any document longer than 3 years.

9. EXPLAIN ANY DECISION TO PROVIDE ANY PAYMENT OR GIFT TO RESPONDENTS, OTHER THAN REMUNERATION OF CONTRACTORS OR GRANTEEES.

Payments or gifts are not offered or awarded to respondents.

10. DESCRIBE ANY ASSURANCE OF CONFIDENTIALITY PROVIDED TO RESPONDENTS AND THE BASIS FOR THE ASSURANCE IN STATUTE, REGULATION, OR AGENCY POLICY.

FPB personnel are not permitted to disclose any details of requested services to individuals other than financially interested parties. Although not addressed in the Agricultural Marketing Act of 1946 or 7CFR Part 51, this is stressed in administrative instructions and training sessions. In addition, form FV-651 addresses the agencies policy for confidentiality in clause 2(d).

11. PROVIDE ADDITIONAL JUSTIFICATION FOR ANY QUESTIONS OF A

SENSITIVE NATURE, SUCH AS SEXUAL BEHAVIOR AND ATTITUDES, RELIGIOUS BELIEFS, AND OTHER MATTERS THAT ARE COMMONLY CONSIDERED PRIVATE. THIS JUSTIFICATION SHOULD INCLUDE THE REASONS WHY THE AGENCY CONSIDERS THE QUESTIONS NECESSARY, THE SPECIFIC USES TO BE MADE OF THE INFORMATION, THE EXPLANATION TO BE GIVEN TO PERSONS FROM WHOM THE INFORMATION IS REQUESTED, AND ANY STEPS TO BE TAKEN TO OBTAIN THEIR CONSENT.

Information concerning private sensitive matters is not required or requested.

12. PROVIDE ESTIMATES OF THE HOUR BURDEN OF THE COLLECTION OF INFORMATION. THE STATEMENT SHOULD:

- **INDICATE THE NUMBER OF RESPONDENTS, FREQUENCY OF RESPONSE, ANNUAL HOUR BURDEN, AND AN EXPLANATION OF HOW THE BURDEN WAS ESTIMATED. UNLESS DIRECTED TO DO SO, AGENCIES SHOULD NOT CONDUCT SPECIAL SURVEYS TO OBTAIN INFORMATION ON WHICH TO BASE HOUR BURDEN ESTIMATES. CONSULTATION WITH A SAMPLE (FEWER THAN 10) OF POTENTIAL RESPONDENTS IS DESIRABLE. IF THE HOUR BURDEN ON RESPONDENTS IS EXPECTED TO VARY WIDELY BECAUSE OF DIFFERENCE IN ACTIVITY, SIZE, OR COMPLEXITY, SHOW THE RANGE OF ESTIMATED HOUR BURDEN, AND EXPLAIN THE REASONS FOR THE VARIANCE. GENERALLY, ESTIMATES SHOULD NOT INCLUDE BURDEN HOURS FOR CUSTOMARY AND USUAL BUSINESS PRACTICES.**
- **IF THIS REQUEST FOR APPROVAL COVERS MORE THAN ONE FORM, PROVIDE SEPARATE HOUR BURDEN ESTIMATES FOR EACH FORM AND AGGREGATE THE HOUR BURDENS IN ITEM 13 OF OMB FORM 83.1.**

The AMS-71 spreadsheet shows a breakdown of respondents, responses, burden hours per response, and total burden hours which has been determined to be an estimated 18,376 hours. The total number of burden hours was based on an estimated 43,270 number of respondents.

- **PROVIDE ESTIMATES OF ANNUALIZED COST TO RESPONDENTS FOR THE HOUR BURDENS FOR COLLECTIONS OF INFORMATION, IDENTIFYING AND USING APPROPRIATE WAGE RATE CATEGORIES. THE COST OF CONTRACTING OUT OR PAYING OUTSIDE PARTIES FOR**

INFORMATION COLLECTION ACTIVITIES SHOULD NOT BE INCLUDED HERE. INSTEAD, THIS COST SHOULD BE INCLUDED IN ITEM 14.

For the 18,376 hours determined to be the total burden hours for the respondents, the annual cost would be an estimated \$378,913 at \$20.62 per burden hour. Data for computation for this hourly wage was obtained from the U.S. Department of Labor Statistics publication, "National compensation Survey: Occupational Wages in the United States, July 2007", published August 2009 (Bulletin 2720). This publication can also be found at the following website:

<http://www.bls.gov/ncs/nscwage2008.htm>.

13. PROVIDE AN ESTIMATE OF THE TOTAL ANNUAL COST BURDEN TO RESPONDENTS OR RECORDKEEPERS RESULTING FROM THE COLLECTION OF INFORMATION. (DO NOT INCLUDE THE COST OF ANY HOUR BURDEN SHOWN IN ITEMS 12 AND 14).

- **THE COST ESTIMATE SHOULD BE SPLIT INTO TWO COMPONENTS: (a) A TOTAL CAPITAL AND START-UP COST COMPONENT (ANNUALIZED OVER ITS EXPECTED USEFUL LIFE); AND (b) A TOTAL OPERATION AND MAINTENANCE AND PURCHASE OF SERVICES COMPONENT. THE ESTIMATES SHOULD TAKE INTO ACCOUNT COSTS ASSOCIATED WITH GENERATING, MAINTAINING, AND DISCLOSING OR PROVIDING THE INFORMATION. INCLUDE DESCRIPTIONS OF METHODS USED TO ESTIMATE MAJOR COST FACTORS INCLUDING SYSTEM AND TECHNOLOGY ACQUISITION, EXPECTED USEFUL LIFE OF CAPITAL EQUIPMENT, THE DISCOUNT RATE(S), AND THE TIME PERIOD OVER WHICH COSTS WILL BE INCURRED. CAPITAL AND START-UP COSTS INCLUDE, AMONG OTHER ITEMS, PREPARATIONS FOR COLLECTING INFORMATION SUCH AS PURCHASING COMPUTERS AND SOFTWARE; MONITORING, SAMPLING, DRILLING AND TESTING EQUIPMENT; AND RECORD STORAGE FACILITIES.**

- **IF COST ESTIMATES ARE EXPECTED TO VARY WIDELY, AGENCIES SHOULD PRESENT RANGES OF COST BURDENS AND EXPLAIN THE REASONS FOR THE VARIANCE. THE COST OF PURCHASING OR CONTRACTING OUT INFORMATION COLLECTION SERVICES SHOULD BE A PART OF THIS COST BURDEN ESTIMATE. IN DEVELOPING COST BURDEN ESTIMATES, AGENCIES MAY CONSULT WITH A SAMPLE OF RESPONDENTS (FEWER THAN 10), UTILIZE THE**

60-DAY PRE-OMB SUBMISSION PUBLIC COMMENT PROCESS AND USE EXISTING ECONOMIC OR REGULATORY IMPACT ANALYSIS ASSOCIATED WITH THE RULEMAKING CONTAINING THE INFORMATION COLLECTION, AS APPROPRIATE.

- **GENERALLY, ESTIMATES SHOULD NOT INCLUDE PURCHASES OF EQUIPMENT OR SERVICES, OR PORTIONS THEREOF, MADE: (1) PRIOR TO OCTOBER 1, 1995, (2) TO ACHIEVE REGULATORY COMPLIANCE WITH REQUIREMENTS NOT ASSOCIATED WITH THE INFORMATION COLLECTION, (3) FOR REASONS OTHER THAN TO PROVIDE INFORMATION OR KEEPING RECORDS FOR THE GOVERNMENT, OR (4) AS PART OF CUSTOMARY AND USUAL BUSINESS OR PRIVATE PRACTICES.**

There are no capital, startup, operation, or maintenance costs associated with this program.

- 14. PROVIDE ESTIMATES OF ANNUALIZED COST TO THE FEDERAL GOVERNMENT. ALSO, PROVIDE A DESCRIPTION OF THE METHOD USED TO ESTIMATE COST, WHICH SHOULD INCLUDE QUANTIFICATION OF HOURS, OPERATION EXPENSES (SUCH AS EQUIPMENT, OVERHEAD, PRINTING, AND SUPPORT STAFF), AND ANY OTHER EXPENSE THAT WOULD NOT HAVE BEEN INCURRED WITHOUT THIS COLLECTION OF INFORMATION. AGENCIES ALSO MAY AGGREGATE COST ESTIMATES FROM ITEMS 12, 13, AND 14 IN A SINGLE TABLE.**

All costs associated with information collection are covered by user fees and therefore no cost to the Federal Government is shown.

- 15. EXPLAIN THE REASON FOR ANY PROGRAM CHANGES OR ADJUSTMENTS REPORTED IN ITEMS 13 OR 14 OF THE OMB FORM 83-1.**

Since the last submission there is an adjustment to the number of respondents of the FV-237 which decreased by -13,910. However, the number of responses per respondent increased from approximately 4 to 6 thereby generating an adjustment increase for an additional +524 hours. This is a result of the market trend to decentralize from terminal markets offering specialized products to a less costly suburban location where companies can provide a variety of products to customers. Consequently, respondents in suburban locations have a greater

number of responses while traditional terminal markets maintain the same number of responses. This results in fewer respondents with a greater number of responses per respondent for this submission.

In addition, an information collection request was submitted on July 29, 2009, to OMB for approval of a new collection. Due to the similarity between 0581-0125, Regulations Governing Inspection, Certification, and Standards for Fresh Fruits, Vegetables, and Other Products and the new Audit Services collection, OMB requested that the new Audit Services collection information be included in the revision and extension of 0581-0125. Three new forms FV-237A, FV 651 & FV 652 are included in this renewal submission.

Net result of these two factors is a program change increase of 2,000 respondents; 6,000 responses and 9,080 burden hours.

16. FOR COLLECTIONS OF INFORMATION WHOSE RESULTS WILL BE PUBLISHED, OUTLINE PLANS FOR TABULATION, AND PUBLICATION. ADDRESS ANY COMPLEX ANALYTICAL TECHNIQUES THAT WILL BE USED. PROVIDE THE TIME SCHEDULE FOR THE ENTIRE PROJECT, INCLUDING BEGINNING AND ENDING DATES OF THE COLLECTION OF INFORMATION, COMPLETION OF REPORT, PUBLICATION DATES, AND OTHER ACTIONS.

Forms FV-24, FV-202, FV-237, FV-237A and FV-652 collect information that will not be published.

Form FV-651 outlines the publication policy for collected information in clause 2(e), which is limited to the name, address and audit type listed on the USDA website as meeting audit program requirements.

17. IF SEEKING APPROVAL TO NOT DISPLAY THE EXPIRATION DATE FOR OMB APPROVAL OF THE INFORMATION COLLECTION, EXPLAIN THE REASONS THAT DISPLAY WOULD BE INAPPROPRIATE.

The Agency requests approval not to display the expiration date for OMB approval of the information collection. This requirement significantly affects programs by increasing costs to users because otherwise usable forms must be destroyed based on the expiration date, if the form is revised, and redistributed. Such needless cost increases are passed on to applicants requesting services, and are counter-productive to the Administration's goal of reducing costs and

increasing program efficiency. Forms are ordered in advance. If forms are ordered prior to an OMB submission for extension of approval, there is no guarantee that a requested expiration date will be used by OMB. Therefore, we are seeking permission not to display the expiration date.

18. EXPLAIN EACH EXCEPTION TO THE CERTIFICATION STATEMENT IDENTIFIED IN ITEM 19, "CERTIFICATION FOR PAPERWORK REDUCTION ACT SUBMISSIONS," OF OMB FORM 83-1.

The agency is able to certify compliance with all provisions under Item 19 of OMB Form 83-1.